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Comptroller



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August 14, 2006

Robert Salarano
Contracts Administration Manager
Lambert-St. Louis International Airport
13723 Riverport Drive, 3rd Floor
Maryland Height, MO 63043

RE: Follow-Up Review of Airport Security Services Agreement #43529 (New Agreement # 51776) Review Report (Project #2006-F8)

Dear Mr. Salarano:

We have conducted a limited follow-up review on the Airport Security Services Agreement #43529 (New Agreement #51776) Review Report (Project #2003-53) issued October 20, 2003. This follow-up review was made under authorization contained in Article XV, Section 2 of the Charter, City of St. Louis, as revised and conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*. A limited follow-up review does not necessarily involve detailed testing or verification, but instead relies on communication with department management and staff, as well as limited observations. Our purpose was to determine the status of the observations and recommendations noted in the fiscal management review report issued October 20, 2003, as of March 30, 2006.

We determined that all of the prior report observations have been **resolved** as follows:

A. Whelan Security Company (Prime Contractor)

1. Lack of Documentation of Training (Observation #A1, Original Report)

Whelan Security provided basic training to security personnel in compliance with the Professional Service Agreement. Certificates of completion were included in the personnel files of the security personnel assigned to the Airport.

2. Failure to Perform Employment Background Verification Timely (Observation #A2 Original Report)

Whelan Security performed employment background verifications by requesting references and employment history from former employers for all of the security personnel prior to their employment and assignment to the Airport. The Company performed the criminal/warrant history checks timely on all security personnel assigned to the Airport.

The Contract Administrator has implemented the internal controls proposed in the management responses section of the prior audit report. Whelan Security provided a list of newly hired and/or transferred employees assigned to the Airport during the last quarter (March 25, 2006 through June 16, 2006). In addition, Whelan also provided a letter signed by an appropriate Whelan official documenting compliance with all of the terms, covenants and conditions of the Agreement. The Contract Administrator is also working with the Airport Police Department to determine a system for a periodic review of the Whelan employee files.

B. The services of CCC & C Security, Inc. was terminated as subcontractor and replaced with Urban Investigations and Brinkman Security Services, Inc.

1. Lack of Compliance with Uniform Requirements (Observation #B1, Original Report)

Payroll records for Urban Investigations and Brinkman Security Services, Inc. showed that costs for uniforms were not deducted from the employees' earnings. This was collaborated with inquiries made with two employees.

2. Lack of Documentation of Training (Observation #B2, Original Report)

Whelan Security provided basic training to Urban Investigations and Brinkman Security Services, Inc. security personnel in compliance with the Professional Service Agreement. The training provided was properly documented in the personnel files.

3. Failure to Provide Proof of Health and Life Insurance Premiums (Observation # B3, Original Report)

We reviewed the payroll records and the invoices from the health and life insurance providers submitted to the subcontractors for security personnel assigned to the Airport. The personnel assigned to the Airport were insured and there were no deductions from the security personnel payroll earnings for these costs.

4. Failure to Properly Document Employment Background Verifications (Observation #B4, Original Report)

Urban Investigations and Brinkman Security Services Inc. performed employment background checks as required by the Agreement. The background checks performed were properly documented in the personnel files.

5. Personnel Files Lacked Documentation of Independent Chemical Testing (Observation #B5, Original Report)

All of the personnel assigned to the Airport were tested for the illegal use or abuse of banned substances in compliance with the agreement. The independent chemical tests performed were documented in the security personnel files.

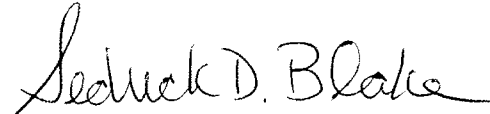
6. **Failure to Pay the Appropriate Holiday Rate to Employees (Observation #B6, Original Report)**

Urban Investigations and Brinkman Security Services, Inc. security personnel were paid the appropriate holiday pay in compliance with the Agreement. We reviewed the payroll records for holiday pay for February 20, 2006 (Presidents' Day) and May 29, 2006 (Memorial Day).

We provided the department's management an opportunity for an exit conference, which was declined.

If you have any questions, please contact me at (314)589-6132.

Respectfully,



Sedrick D. Blake, CPA
Internal Audit Executive

cc: Honorable Darlene Green, Comptroller
Kevin C. Dolliole – Director of Airports
Paul E. Mason II- Chief of Police, Airport Authority
Ronald Smith, City Operations Manager, Office of the Mayor